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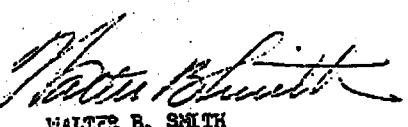
MAY 8 1952

MEMORANDUM FOR THE PRESIDENT

There is attached a copy of SE 28 covering "Consequences of the Future Revelation of the Contents of Certain Government Documents," as approved by the Intelligence Advisory Committee at its meeting 6 May 1952.

This paper, estimating the consequences for US foreign relations and for US strategic interests of the revelation of the contents of the two-volume study entitled "Report of the Federal Trade Commission on the International Petroleum Cartel," was prepared as a matter of urgency pursuant to the request made at the National Security Council meeting on Wednesday, 30 April.

It is planned that final printed copies of this estimate will be forwarded to the National Security Council on Friday, 9 May.


WALTER B. SMITH

Director —

Declassified by NSCIS letter
date 22 February 1979

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CENTRAL INTELLIGENCE AGENCY

(AS AMENDED AND APPROVED BY THE INTELLIGENCE ADVISORY
COMMITTEE AT ITS MEETING 6 MAY 1952)

6 May 1952

SUBJECT: SE-28: CONSEQUENCES OF THE FUTURE REVELATION OF THE
CONTENTS OF CERTAIN GOVERNMENT DOCUMENTS

THE PROBLEM

To estimate the consequences for US foreign relations and
for US strategic interests of the revelation of the contents
of the two-volume study entitled "Report of the Federal Trade
Commission on the International Petroleum Cartel."

SCOPE

This estimate considers the consequences of the revelation
of the contents of the subject report, whether by official publication
or otherwise. The estimate does not consider to what extent the
statements in the Report are accurate or already known, but solely
the effect of the revelation, individually or collectively, as
allegations made under the sponsorship of an arm of the US Government.

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Declassified by HAROLD L. BREWER
date 22 February 1971

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ESTIMATE

1. We estimate that official publication of this Report would greatly assist Soviet propaganda, would further the achievement of Soviet objectives throughout the world and hinder the achievement of US foreign policy objectives, particularly in the Near and Middle East, and would otherwise tend to injure US foreign relations and strategic interests, as more fully set forth below.

2. We believe that the manner of the revelation of the report's contents, otherwise than by official publication in full in its present form, would cause the consequences to differ only in degree from the consequences of official publication estimated herein. The adverse effects herein estimated might be mitigated to some extent by withholding from general release certain paragraphs which would particularly provide propaganda and political ammunition to Soviet and other forces in the Middle East opposed to the interests of the US.

3. Assistance to Soviet propaganda and to the achievement of Soviet objectives throughout the world. Publication of the report would:

- a. Assist the USSR in pursuing its objective of dividing the West and specifically of driving

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a wedge between the US and UK, and between the US and other European nations.

- b. Greatly assist Soviet propaganda designed to discredit the US and other Western Powers in the Near and Middle East, and further the Soviet objective of fostering and perverting to Communist ends the spirit of nationalism in that area.
- c. Assist the current Soviet campaign to induce a relaxation of East-West trade controls, through distortion of certain allegations in the Report to support the propaganda argument that US and Western foreign trade practices are deliberately restrictive.
- d. Assist the world-wide Soviet campaign to represent the US and other Western Powers as "imperialist" and "colonial" powers. This effect would be felt not only in the Near and Middle East but also in the countries of South and Southeast Asia and to some extent in Latin America.

4. Specific Adverse Effects on the US Position in the Near and Middle East. Publication of the Report would:

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- a. Further prejudice prospects for a settlement of the Iran-Iraq oil controversy, in particular by damaging, perhaps irreparably, the status of the US as mediator between the UK and Iran. Publication would thus contribute to the present economic deterioration and political instability in Iran, and increase opportunities for Communist subversion.
 - b. Assist forces in other oil-producing countries in the area which desire to alter present contractual arrangements with the international oil companies, and thus jeopardize the flow of oil, which is of great strategic importance to the US and its allies.
 - c. Harm the general position and prestige of the US and other Western Powers in the area, by providing propaganda ammunition not only to Communist elements but also to extreme nationalist and other anti-Western elements.
 - d. Raise doubts in the UK and France concerning US objectives in the Near and Middle East and possibly jeopardize coordination of overall policies for the area.
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- e. As a consequence of c. and d. above, reduce the prospects for achieving a Middle East defense organization.
 - f. Seriously embarrass certain governments in the area, both in their relations with the US and other Western Powers and in their internal political situations, thus increasing the likelihood of disorder and deterioration favorable to extreme nationalist and anti-Western elements, including Communists.

5. Other Adverse Effects on US Interests. In addition to the consequences listed above, publication of the Report would:

- a. Tend to impair basic relations between the US and UK and to a lesser extent between the US and the Netherlands and between the US and France, to the detriment of US interests in all areas in which close cooperation with these powers is essential to the achievement of US security objectives. In addition to the proposed Middle East defense organization, this would apply to NATO and to efforts to achieve agreed policies in the Far East including Southeast Asia.
- b. Tend to jeopardize US oil concessions in areas other than the Middle East and to jeopardize other US commercial and industrial interests abroad, including private mining arrangements in South America and elsewhere.